

SEALED

CLERK'S OFFICE U.S. DIST. COURT
AT ABINGDON, VA
FILED

JAN 23 2017

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF VIRGINIA
ABINGDON DIVISION

JULIA C. DUDLEY, CLERK
BY *[Signature]*
DEPUTY CLERK

UNITED STATES OF AMERICA :

v. :

JONES KEITH ANDREWS :

Case No. 1:17CR1

Violations: 18 U.S.C. § 371
26 U.S.C. § 7202
18 U.S.C. § 152

INDICTMENT

COUNT ONE

The Grand Jury charges that:

A. On or about and between 2009 and March 2015, in the Western District of Virginia and elsewhere, JONES KEITH ANDREWS ("ANDREWS") and others conspired to defraud the United States by impeding, impairing, obstructing and defeating the lawful functions of the Internal Revenue Service of the Department of the Treasury ("IRS") in the ascertainment, computation, assessment, and collection of taxes.

B. At all times relevant to this Indictment, ANDREWS was the owner of Andrews Farming and operated a business in Carroll County, Virginia.

C. Numerous acts were done by the conspirators to effect the objects of the conspiracy, including, but not limited to the following:

1. On or about and between 2009 and March 2015, the conspirators created and executed a system in which a portion of the salaries of employees of Andrews Farming was paid to them via paycheck and the remainder was paid in cash.

2. On or about and between 2009 and March 2015, the conspirators cashed and caused to be cashed checks drawn on the accounts of Keith Andrews and Andrews Farming to obtain sufficient cash funds to pay employees a portion of their salary in cash.

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3. On or about and between 2011 and March 2015, Robert Donald Morgan, III, made false entries into the accounting records of Andrews Farming to disguise the cash payments made to employees.

4. For each quarter from 2009 through 2014, the conspirators caused Employer's Quarterly Federal Tax Returns, Forms 941, to be sent to the United States Government that falsely listed wages paid to employees of Andrews Farming. The Forms 941 were false because they listed only wages paid via paycheck and did not include the amounts paid in cash.

5. For each year from 2009 through 2014, the conspirators caused Wage and Tax Statements, Forms W2, to be sent to the United States Government that falsely listed wages paid to employees of Andrews Farming. The Forms W2 were false because they listed only wages paid via paycheck and did not include the amounts paid in cash.

6. For the following quarters, cash wages were not included on Forms 941 as set forth below:

Quarter	Amount of Cash Wages Not Reported (approximate)		Quarter	Amount of Cash Wages Not Reported (approximate)
2009-1st Qtr	\$ 6,300.00		2012-1st Qtr	\$ 38,145.00
2009-2nd Qtr	\$ 50,100.00		2012-2nd Qtr	\$ 65,725.00
2009-3rd Qtr	\$ 7,000.00		2012-3rd Qtr	\$ 52,200.00
2009-4th Qtr	\$ 3,500.00		2012-4th Qtr	\$ 45,300.00
2010-1st Qtr	\$ 6,118.50		2013-1st Qtr	\$ 33,300.00
2010-2nd Qtr	\$ 61,099.75		2013-2nd Qtr	\$ 37,000.00
2010-3rd Qtr	\$ 22,507.25		2013-3rd Qtr	\$ 58,200.00
2010-4th Qtr	\$ 20,180.00		2013-4th Qtr	\$ 51,500.00
2011-1st Qtr	\$ 68,484.50		2014-1st Qtr	\$ 56,600.00
2011-2nd Qtr	\$ 92,557.00		2014-2nd Qtr	\$ 75,800.00
2011-3rd Qtr	\$ 151,356.50		2014-3rd Qtr	\$ 49,100.00
2011-4th Qtr	\$ 118,333.00		2014-4th Qtr	\$ 45,500.00
			TOTAL	\$ 1,215,906.50

D. All in violation of Title 18, United States Code, Section 371.

COUNTS TWO THROUGH EIGHTEEN

The Grand Jury charges that:

A. On or about the dates set forth below, in the Western District of Virginia and elsewhere, JONES KEITH ANDREWS ("ANDREWS"), being a person required under Title 26 of the United States Code to collect, account for, and pay over any tax imposed by Title 26, willfully failed to collect and truthfully account for and pay over such tax.

B. At all times relevant to this Indictment, ANDREWS was the owner of Andrews Farming and operated a business in Carroll County, Virginia.

C. ANDREWS was responsible for the collection and payment of all withheld payroll taxes and was required under Title 26 of the United States Code to collect, account for, and pay over withheld payroll taxes.

D. For the following quarters, ANDREWS did not withhold payroll taxes from cash wages paid to employees of Andrews Farming and failed to pay over the payroll and employment taxes owed:

<u>Count</u>	<u>Quarter</u>	<u>Amount of Cash Wages Not Reported (approximate)</u>	<u>Count</u>	<u>Quarter</u>	<u>Amount of Cash Wages Not Reported (approximate)</u>
TWO	2010-4th Qtr	\$ 20,180.00	ELEVEN	2013-1st Qtr	\$ 33,300.00
THREE	2011-1st Qtr	\$ 68,484.50	TWELVE	2013-2nd Qtr	\$ 37,000.00
FOUR	2011-2nd Qtr	\$ 92,557.00	THIRTEEN	2013-3rd Qtr	\$ 58,200.00
FIVE	2011-3rd Qtr	\$ 151,356.50	FOURTEEN	2013-4th Qtr	\$ 51,500.00
SIX	2011-4th Qtr	\$ 118,333.00	FIFTEEN	2014-1st Qtr	\$ 56,600.00
SEVEN	2012-1st Qtr	\$ 38,145.00	SIXTEEN	2014-2ndt Qtr	\$ 75,800.00
EIGHT	2012-2nd Qtr	\$ 65,725.00	SEVENTEEN	2014-3rd Qtr	\$ 49,100.00
NINE	2012-3rd Qtr	\$ 52,200.00	EIGHTEEN	2014-4th Qtr	\$ 45,500.00
TEN	2012-4th Qtr	\$ 45,300.00			

E. All in violation of Title 26, United States Code, Section 7202.

COUNT NINETEEN

The Grand Jury charges that:


A. On or about May 5, 2016, in the Western District of Virginia and elsewhere, JONES KEITH ANDREWS ("ANDREWS") knowingly and fraudulently, in and in relation to a case under Title 11 (Bankruptcy) of the United States Code, (1) made a false oath and account, and (2) made a false declaration and statement under penalty of perjury as permitted under 28 U.S.C. § 1746.

B. On or about May 5, 2016, ANDREWS made a false oath and account and a false declaration and statement when he declared under penalty of perjury that the representation in Andrews Farming, Inc.'s "Statement of Financial Affairs" of a "Loss of approximately \$1,300,000.00 from embezzlement of employee, Robert Donald Morgan, III" was true and correct when in fact he knew such representation was not true and correct.

C. All in violation of Title 18, United States Code, Section 152.

A true bill, this 23rd day of JANUARY, 2017.

s/ Grand Jury Foreperson



RICK A. MOUNTCASTLE
ACTING UNITED STATES ATTORNEY